UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON AT SEATTLE THOMAS DOROBIALA, Case No. 2:22-cv-01600 Plaintiff, **CLASS ACTION COMPLAINT** v. AMAZON.COM, INC., a Delaware corporation, Defendant. 



# Case 2:22-cv-01600 Document 1 Filed 11/09/22 Page 2 of 22

	TABLE OF CONTENTS	Page	
I.	INTRODUCTION	1	
II.	JURISDICTION	11	
III.	VENUE	11	
IV.	PARTIES	12	
	A. Plaintiff	12	
	B. Defendant Amazon	12	
V.	STATEMENT OF FACTS	12	
VI.	CLASS ACTION ALLEGATIONS	16	
VII.	CHOICE OF LAW	18	
VIII.	CLAIM FOR RELIEF	18	
COU	NT I VIOLATIONS OF THE WASHINGTON CONSUMER PROTECTION ACT (WASH. REV. CODE §§ 19.86.010, <i>ET SEQ</i> )	18	
JURY	Y TRIAL DEMANDED	19	
PRAYER FOR RELIEF			



6

11

14 15

17

16

18 19

20 21

22

23 24

25

26

27 28

COMPLAINT - 1

Plaintiff alleges the following based on personal knowledge as to his own acts and experiences and, as to all other matters, based on the investigation of counsel:

#### I. **INTRODUCTION**

- 1. Amazon, the largest online retailer in the United States, is open to all shoppers, but it offers benefits, including free shipping on Prime items, to its 163 million U.S. subscribers.<sup>1</sup> Globally, Amazon collects \$25 billion a year in Prime subscription fees with U.S. subscribers accounting for about three-quarters of its subscription revenue.<sup>2</sup> Amazon values its Prime members not only for the subscription fees it collects from them, currently \$139 a year, but also because Prime members spend more than twice as much as other Amazon customers, averaging about \$1,400 per year.<sup>3</sup>
- 2. Having so many Prime members also increases Amazon's share of online retail commerce. On average Prime members in the U.S. do 53% of their shopping online and make most of their online purchases on Amazon.<sup>4</sup> Among Prime members, 92% look forward to being able to order all goods through one retailer and 93% are more likely to buy from Amazon Prime than directly from a retailer's online site.<sup>5</sup>
- 3. Amazon also values Prime members for the wealth of data they provide Amazon.<sup>6</sup> As the Guardian reports, "whether it's the shopping app, the Kindle e-reader, the Ring doorbell, Echo smart speaker or the Prime streaming service," the more you use them, "the more their algorithms can infer what kind of person you are and what you are most likely to buy next."<sup>7</sup>

<sup>7</sup> *Id*.

<sup>&</sup>lt;sup>6</sup> Kate O'Flaherty, The data game: what Amazon knows about you and how to stop it, THE GUARDIAN (Feb. 27, 2022), https://www.theguardian.com/technology/2022/feb/27/the-data-game-what-amazon-knows-about-you-andhow-to-stop-it.



<sup>&</sup>lt;sup>1</sup> David Chang, The average Amazon Prime member spends this much per year, MOTLEY FOOL (July 22, 2022), https://www.fool.com/the-ascent/personal-finance/articles/the-average-amazon-prime-member-spends-this-muchper-year/.

<sup>&</sup>lt;sup>2</sup> Brian Dean, Amazon Prime User and Revenue Statistics (2022), BACKLINKO (Jan. 5, 2022), https://backlinko.com/amazon-prime-users.

<sup>&</sup>lt;sup>3</sup> Chang, *supra* note 1.

<sup>&</sup>lt;sup>4</sup> Patrick Munden, The Amazon Prime Effect - setting a new standard for customer loyalty, WUNDERMAN THOMPSON, https://www.wundermanthompson.com/insight/the-amazon-prime-effect (last accessed Nov. 8, 2022).

<sup>&</sup>lt;sup>5</sup> *Id*.

- 4. Because Prime members are so valuable to Amazon, it is loath to let them go. And it shows. Cancelling Prime "requires multiple steps of confirmation offers before one can ultimately pull the plug on the ongoing fee." In effect, the process tests the Prime member's will to quit Amazon.
- 5. The hurdles to cancellation are intentional. In March 2022, Business Insider reviewed internal Amazon documents admitting that for several years and continuing today, Amazon has engaged in willfully deceptive practices to keep its Prime members locked into their memberships. The documents refer to a secret project known as "Project Iliad," which Amazon implemented to thwart Prime membership cancellations by adding multiple layers of questions and new offers before a Prime member could cancel their subscription. The project was a success. After launching Project Iliad, Amazon managed to reduce the number of Prime cancellations by 14% at one point in 2017 as fewer members managed to reach the final cancellation page. The project Iliad is a fewer members managed to reach the final cancellation page.
- 6. This layered and confusing cancellation process relies on "dark patterns," *i.e.*, methods of deception derived from behavioral psychology that exploit cognitive biases to influence and manipulate consumer choices. "Dark patterns are design features used to deceive, steer, or manipulate users into behavior that is profitable for an online service, but often harmful to users or contrary to their intent . . . . This could include using buttons with the same style but different language, a checkbox with double negative language, disguised ads, or time pressure designed to dupe users into clicking, subscribing, consenting, or buying." <sup>12</sup>
- 7. As explained in a January 2021 report by the Norwegian Consumer Council, Amazon employs dark patterns in the wording, graphic design, and redundancies which Amazon

<sup>&</sup>lt;sup>8</sup> Gerald Lynch, *Amazon Prime memberships are now harder to cancel – and it's no accident*, TECH RADAR (Mar. 17, 2022), https://www.techradar.com/news/amazon-prime-memberships-are-now-harder-to-cancel-and-its-no-accident.

<sup>&</sup>lt;sup>9</sup> Hannah Towey & Eugene Kim, *Amazon used a sneaky tactic to make it harder to quit Prime and cancellations dropped 14%, according to leaked data*, BUSINESS INSIDER (Mar. 16, 2022), https://www.businessinsider.com/amazon-project-iliad-made-cancel-prime-membership-harer-leaked-data-2022-3.

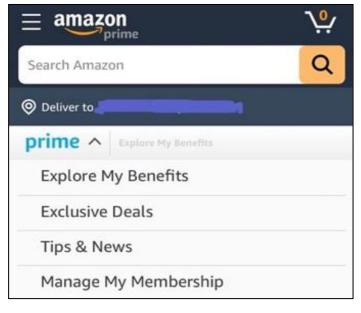
<sup>&</sup>lt;sup>10</sup> *Id*.

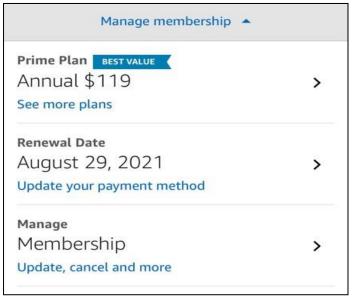
<sup>&</sup>lt;sup>11</sup> *Id*.

<sup>&</sup>lt;sup>12</sup> Rohit Chopra, *Statement of Commissioner Rohit Chopra Regarding Dark Patterns in the Matter of Age of Learning, Inc.*, FTC File No. 1723186 (Sept. 2, 2020), https://www.ftc.gov/system/files/documents/public\_statements/1579927/172\_3086\_abcmouse\_-\_rchopra\_statement.pdf.

COMPLAINT - 3

employs to make its cancellation process needlessly difficult, time-consuming, and frustrating to users.<sup>13</sup> To begin with, whereas signing up with Amazon is simple and intuitive, cancellation involves navigating through three pages or "clicks," just to start the process. Users who want to unsubscribe first need to log in to their Amazon account, navigate to the Amazon account menu, and find the "Prime membership" option:<sup>14</sup>





<sup>&</sup>lt;sup>13</sup> Forbrukerrådet, *You Can Log Out, But You Can Never Leave. How Amazon manipulates consumers to keep them subscribed to Amazon Prime* (Jan. 14, 2021), https://storage.forbrukerradet.no/media/wp-content/uploads/2021/01/2021-01-14-you-can-log-out-but-you-can-never-leave-final.pdf.

<sup>&</sup>lt;sup>14</sup> Complaint filed against Amazon by the Electronic Privacy Information Center (EPIC) with the D.C. Attorney General, at Figures E-G (Feb. 23, 2021), available at https://epic.org/privacy/dccppa/amazon/EPIC-Complaint-In-Re-Amazon.pdf (hereafter "EPIC Complaint").



< Back				
Membersh	nip Sharing			
Share y	our benefits			
	Manage your household			
Remino	d me before renewing			
	d a reminder on August 26, 2021, 3 days y renewal date.			
End Me	embership			
	your membership you will lose access to e benefits.			
	End membership			

- 8. Notably, the third page, which the user gets to by clicking the "Manage membership" button, is confusingly labeled "Membership Sharing" and prompts the user in the first instance to "Share your benefits," whereas the "End Membership" button is at the bottom of the page after the prompt "Remind me before renewing." This pattern of multiple redundant layers and needless sidetracks, which Amazon uses throughout the cancellation process, is a dark pattern known as a "roach motel," where it is easy to get in, but almost impossible to escape." Whereas signing up with Amazon requires only a few clicks, that is not the case for cancellation. <sup>16</sup>
- 9. The "End Membership" button is also accompanied by a warning that "[b]y ending your membership you will lose access to your Prime benefits." This vague warning is an example of a dark pattern known as confirm-shaming, which Amazon's cancellation process also frequently relies on.<sup>17</sup> This dark pattern exploits a cognitive bias of loss aversion, where the disadvantages of leaving a service appear more prominent than the advantages, so that individuals have a strong

<sup>&</sup>lt;sup>15</sup> EPIC Complaint ¶ 17 n.27 (quotation omitted).

<sup>&</sup>lt;sup>16</sup> *Id*. ¶ 9.

<sup>&</sup>lt;sup>17</sup> Forbrukerrådet, *supra* note 13, at 19.

17

18

19

22

23

24

25

26

2728

COMPLAINT - 5 Case No. 2:22-cv-01600 010888-17/2052844 V1

tendency to remain at the status quo (*i.e.*, subscribed to the service). <sup>18</sup> Amazon exploits the user's fear of missing out on benefits to undermine the user's resolve to cancel the Prime membership. <sup>19</sup>

10. After clicking on the "End Membership" button, canceling a Prime subscription further requires multiple clicks, decisions, and confirmations. Prime members are required to navigate as many as six additional webpages, and along the way Amazon provides confusing or manipulative messages.<sup>20</sup> Business Insider reported that when its reporter clicked on the "End Membership" button, the first prompt said "don't give up on movie night" and notified her of the number of days left until the next billing cycle.<sup>21</sup> The complaint filed by the Electronic Privacy Information Center (EPIC) with the Attorney General of the District of Columbia reported similar prompts:<sup>22</sup>

# , Do you still want to end your Prime benefits? Items tied to your Prime membership will be affected if you cancel your membership. By cancelling, you will no longer be eligible for vour unclaimed Prime exclusive offers. You still have 209 days left to enjoy your Prime benefits until the next billing cycle **Prime Delivery** Fast, FREE, and convenient ways to get millions of items, from unlimited Two-Day Delivery to Same-Day and 2-Hour Delivery in select areas



<sup>&</sup>lt;sup>18</sup> *Id*. at 6.

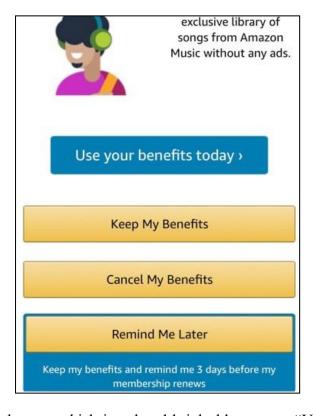
<sup>&</sup>lt;sup>19</sup> *Id.* at 19.

<sup>&</sup>lt;sup>20</sup> Emma Woollacott, *Amazon Prime Too Hard To Cancel, Consumer Watchdog Complains*, FORBES (Jan. 14, 2021), https://www.forbes.com/sites/emmawoollacott/2021/01/14/amazon-prime-too-hard-to-cancel-consumer-watchdog-complains/.

<sup>&</sup>lt;sup>21</sup> Towey & Kim, *supra* note 9.

<sup>&</sup>lt;sup>22</sup> EPIC Complaint, figure H.

- 11. Amazon continues with further confirm-shaming and visual interferences to divert the Prime member from giving up his or her subscription.<sup>23</sup> For example, clicking on any of the warnings of lost benefits takes the user to a different Amazon page and stops the cancellation process.<sup>24</sup>
- 12. If Prime members persist, after scrolling past the list of benefits that will be lost, they will be faced with multiple choices on the next page, along with further graphics and description of Prime membership benefits.<sup>25</sup>



13. The first button, which is colored bright blue, states "Use your benefits today." This is followed by three yellow buttons. The first yellow button, "Keep My Benefits," cancels the process, meaning that the user stays subscribed to Amazon Prime. The second yellow button, "Cancel My benefits," continues the process to unsubscribe. Here, Amazon creates uncertainty by changing the names of the buttons. On a previous page, the cancellation button was neutrally titled

<sup>&</sup>lt;sup>23</sup>Forbrukerrådet, *supra* note 13, at 21.

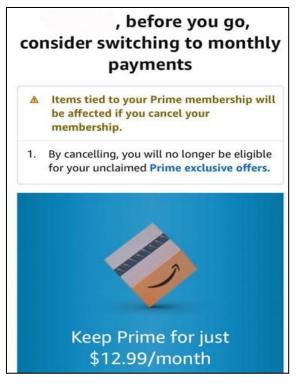
<sup>&</sup>lt;sup>24</sup> *Id*. at 19.

<sup>&</sup>lt;sup>25</sup> EPIC Complaint, figure I.

"End Membership," but on this page the user must select "Cancel My Benefits" to proceed to cancellation. Changing the wording to "Cancel My Benefits" frames the option negatively and uses confirm-shaming to make the user feel like they will lose out if they continue the process to cancel the subscription. The third yellow button, "Remind Me Later," is highlighted as a default option, which further exploits the user's bias towards the status quo: it does not require any action by the user and offers to provide a reminder three days before the membership renews. 27

14. After clicking the "Cancel My Benefits" button, the user is taken to a new page, where he or she is told how much money could be saved by switching to an annual membership (if currently a monthly subscriber) or is prompted to switch to a monthly subscription (if currently an annual subscriber): <sup>28</sup>





<sup>&</sup>lt;sup>26</sup> Forbrukerrådet, *supra* note 13, at 20.

<sup>&</sup>lt;sup>27</sup> *Id*. at 6.

<sup>&</sup>lt;sup>28</sup> Forbrukerrådet, *supra* note 13, at 21; EPIC Complaint, figure J.

tied to your Prime membership will be affected if you cancel your membership." It is not

immediately clear what benefits or items will be affected, and in what way, which is likely to

cause unease at the prospect of losing access to paid services (for example, purchased e-books or

movies). This warning is followed by another alert that "[b]y cancelling, you will no longer be

eligible for your unclaimed Prime exclusive offers," along with more graphics, which the user

The next page reiterates the prompt to switch subscription types: <sup>29</sup>

These pages include a yellow triangle with the accompanying warning that "Items

15.

16.

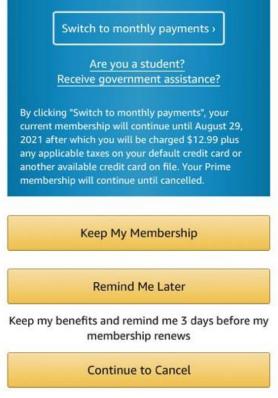
must scroll past to proceed to cancellation.

- 12
- 15

- 19
- 20
- 21 22
- 23 24
- 25
- 27

26

28 <sup>29</sup> EPIC complaint, figure K.

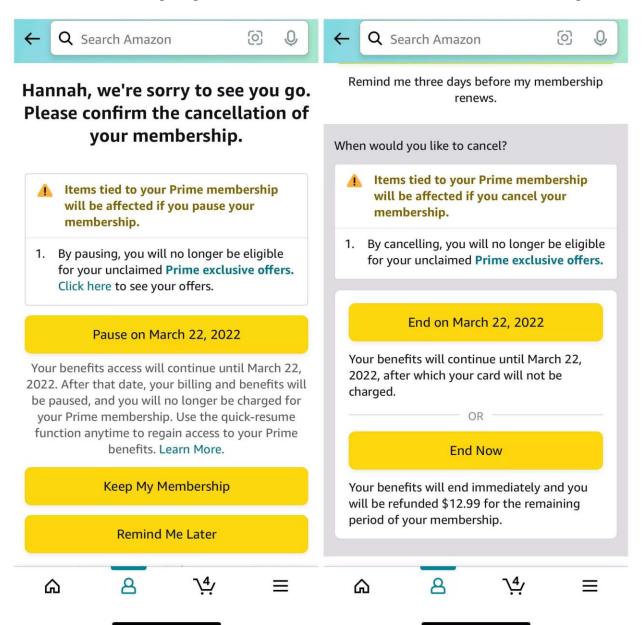


17. Like a previous page, it again offers three buttons to choose from, but this page varies the language and presents the options in a slightly different order. The first two options,

"Keep My Membership" (no longer referring to the subscription as "Benefits") and "Remind Me

Later" divert the user from the cancellation process. Clicking on "Continue to Cancel," the third button (on a previous page it was the second option) allows the user to continue the cancellation:

18. The last prompt asks users to confirm the cancellation of their membership:<sup>30</sup>



19. Amazon again combines the vague warnings of lost benefits with the option of retaining the subscription or postponing the decision to a later date. The first three yellow buttons on the page offer to pause or keep the membership, or be reminded later, and further down the page are two final yellow buttons listing different options of when to cancel the membership.

<sup>&</sup>lt;sup>30</sup> Towey & Kim, *supra* note 9.

7

9

13 14

15

16 17

18

19

2021

22

2324

25

26

27

28

Clicking on any of the warnings or the alternative means of managing the user's membership (like pausing the membership) takes the user to a different Amazon page and stops the cancellation process.<sup>31</sup>

- 20. At this point in the procedure, the user has already confirmed multiple times the desire to cancel his or her Prime subscription. But unless the user clicks the "End Now" button on this final page, the user remains subscribed with Amazon Prime.
- 21. The consumer group, EPIC, describes Amazon's convoluted cancellation process as a misdirection designed to foster uncertainty about the choice to cancel Amazon Prime.<sup>32</sup> EPIC submitted a joint letter with other consumer groups to request that the FTC investigate Amazon's employment of dark patterns in the Amazon Prime subscription cancellation process, which the agency acted on. <sup>33</sup> As part of its investigation, the FTC subpoenaed 20 current and former Amazon employees and executives to testify, including Amazon founder Jeff Bezos and current Amazon CEO Andy Jassy.<sup>34</sup> As part of its probe, the FTC asked Amazon to identify its executives who use disappearing messaging apps to talk about things like Prime program enrollment and cancellation processes and to provide the agency a log of those messages.<sup>35</sup>
- 22. At the same time as the FTC initiated proceedings in the United States, the EU Commission also launched a probe into Amazon's conduct.<sup>36</sup> As part of its cooperation with European authorities, Amazon began modifying its Prime web interface last year, labelling the cancel button more clearly and shortening the explanatory text.<sup>37</sup> This past July, to comply fully

<sup>&</sup>lt;sup>31</sup> Forbrukerrådet, *supra* note 13, at 19.

<sup>&</sup>lt;sup>32</sup> EPIC complaint ¶14.

<sup>&</sup>lt;sup>33</sup> EPIC, Press Release, *D.C. Attorney General Files Antitrust Suit Against Amazon* (May 25, 2021), available at https://epic.org/d-c-attorney-general-files-antitrust-suit-against-amazon/

<sup>&</sup>lt;sup>34</sup> Marcy Gordon, *Amazon: FTC probe hounding Bezos, execs; subpoenas too broad*, AP WIRE, (Aug. 17, 2022) https://apnews.com/article/technology-amazoncom-inc-subpoenas-federal-trade-commission-5a2ab123f8b395b4bb19949c7a70ee90; Eugene Kim & Katie Canales, *If Jeff Bezos or Amazon executives like CEO Andy Jassy used vanishing messages to discuss Prime, the FTC wants them handed over as it investigates the company's sign-up tactics*, YAHOO! (Aug. 16, 2022), https://www.yahoo.com/news/jeff-bezos-amazon-executives-ceo-203730883.html.

<sup>&</sup>lt;sup>35</sup> Kim & Canales, *supra* note 37.

<sup>&</sup>lt;sup>36</sup>European Commission, Press Release, *Consumer protection: Amazon Prime changes its cancellation practices to comply with EU consumer rules* (July 1, 2022), https://ec.europa.eu/commission/presscorner/detail/en/ip\_22\_4186.

with the agency, Amazon also eliminated distracting warnings that deterred consumers from cancelling, so that European consumers can now cancel their Prime subscription within two clicks, using a prominent and clear "cancel button." However, these changes apply only to Prime members in Amazon's European online marketplaces. Amazon's dark patterns continue unabated in the U.S.<sup>39</sup>

### II. JURISDICTION

- 23. This Court has subject matter jurisdiction pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. § 1332(d) because at least one Class member is of diverse citizenship from Amazon, there are more than 100 Class members nationwide, and the aggregated amount in controversy exceeds \$5,000,000, exclusive of interest and costs.
- 24. Plaintiff is a resident of California, who is an Amazon Prime member. Amazon's conduct as discussed further herein harmed and injured Plaintiff financially.
- 25. This Court has personal jurisdiction over Amazon because Amazon is headquartered in Washington State, does business in Washington, directly or through agents, and has registered with the Washington Secretary of State, such that it has sufficient minimum contacts with Washington.

### III. VENUE

- 26. Venue is proper under 28 U.S.C. § 1391(b)(1) and (2) because Amazon's principal place of business is in this judicial district, and a substantial part of the events giving rise to the claims occurred in this judicial district.
- 27. There is also a venue provision, specifying this judicial district under the terms of use for all Amazon customers.<sup>40</sup>

<sup>&</sup>lt;sup>40</sup> Conditions of Use - Amazon Customer Service, https://www.amazon.com/gp/help/customer/display.html%3FnodeId%3DGLSBYFE9MGKKQXXM



 $<sup>^{38}</sup>$  *Id*.

<sup>&</sup>lt;sup>39</sup> Natasha Lomas, *Amazon agrees to drop Prime cancellation 'dark patterns' in Europe*, TECHCRUNCH (July 1, 2022), https://techcrunch.com/2022/07/01/amazon-ends-prime-cancellation-dark-patterns-europe/.

2

#### **Plaintiff** A.

3 4

5

6

7

8

9 10

11

## 12

13 14

15

16 17

18

19

20

21 22

23

24

25

26

27

28

COMPLAINT - 12

#### IV. **PARTIES**

28. Thomas Dorobiala is a resident of Murrieta, California. He has been an Amazon Prime Member since March 28, 2020, when he started with a free trial. At the end of the free trial Amazon automatically charged him a subscription fee. Around February 2022, he decided to cancel his membership, when he heard that Amazon was raising the subscription fee for Amazon Prime. But when he attempted to cancel online, he found that the cancellation process required multiple steps (4-6 different things) and each time the information kept changing and "things kept popping up." As a result, after following several steps, he became confused by the process and couldn't cancel. He's still an Amazon Prime member today and continues to pay subscription fees to Amazon.

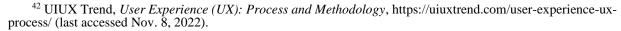
#### B. **Defendant Amazon**

29. Amazon is the largest retailer in the United States and operates the largest electronic commerce ("e-commerce") marketplace in the world. The number of Amazon's Prime subscription members rivals Netflix subscribers. 41 Amazon, a Delaware corporation, is registered with the Washington Secretary of State and has its principal headquarters in Seattle, Washington.

#### V. STATEMENT OF FACTS

30. The term "dark patterns" as employed in this complaint is not a science fiction reference but a term of art from the field of user experience ("UX"). The International Organization for Standardization (ISO) defines "user experience" as a "person's perceptions and responses that result from the use or anticipated use of a product, system or service."42 Dark patterns in UX are "carefully designed misleading interfaces by UX design experts that trick the users into choosing

<sup>&</sup>lt;sup>41</sup> Parkey Tatevosian, Netflix Versus Amazon Prime: The Race to 200 Million Subscribers, THE MOTLEY FOOL (Oct.17, 2020), https://www.nasdaq.com/articles/netflix-versus-amazon-prime%3A-the-race-to-200-millionsubscribers-2020-10-17.





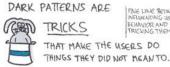
paths that they didn't probably want to take, thus fulfilling the business objectives, completely ignoring the requirements and ethics of users."43

The term was first coined by cognitive scientist Harry Brignull, who borrowed from 31. existing UX terminology. In UX, designers refer to common, re-usable solutions to a problem as a "design pattern," and conversely to common mistakes to solutions as "anti-patterns." <sup>44</sup> The term "dark patterns" was intended to "communicate the unscrupulous nature" of the design "and also the fact that it can be shadowy and hard to pin down."<sup>45</sup> The following provide some examples of dark patterns:<sup>46</sup>



# DARK PATT UX Knowledge Base Sketch #29









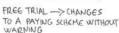




USING DARK PATTERNS

USERS WILL SWITCH TO MORE ETHICAL PRODUCTS ISERVICES





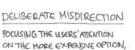




⇒Ø



GROWTH HACKING THROUGH SPAMMING YOU BECOME THE SPAMMER WITHOUT KNOWING IT



OBSCURED PRICING MAKING IT HARD TO COMPARE THE PRICES



SNEAK INTO BASKET A RANDOM ADDITIONAL TIEM APPEARS IN YOUR BASKET (WITHOUT YOUR CONSENT)



HIDDEN COSTS

USE A CONVENTION, PATTERN IN A WAY TO MAKE THE USER FALSELY ASSUME SOMETHING

AT THE CHECKOUT, A NEW,

UNEXPECTED COST APPEARS

HIDING THE CHEAPER WAY



DISGUISED ADS AN AD LOOKING LIKE AN OTHER TYPE OF CONTENT /NAVIGATION



ROADBLOCK A POP-UP INTERRUPTS YOUR INTENDED ACTION



PRIVACY ZUCKERING SHARING MORE PRIVATE INFO THAN YOU WANT



MISINFORMATION E.G. CONFUSING LCOLOR, CONTRAST -LANGUAGE

TRICK QUESTIONS CHECKBOX TREACHERY

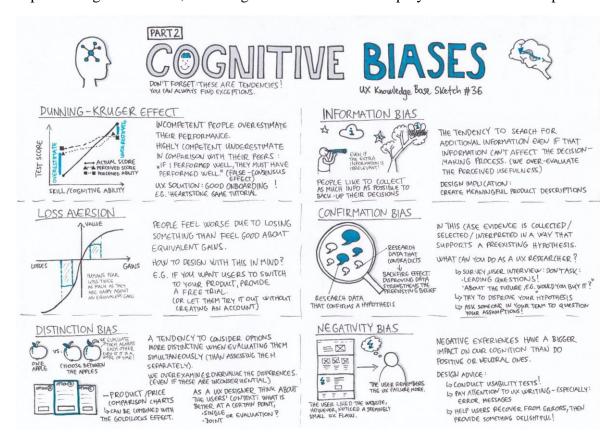
<sup>&</sup>lt;sup>43</sup> Joey Ricard, UX Dark Patterns: The Dark Side Of The UX Design, KLIZO SOLS. PVT. LTD. (Nov. 9, 2020), https://klizos.com/ux-dark-patterns-the-dark-side-of-the-ux-design/.

<sup>&</sup>lt;sup>44</sup> Harry Brignull, *Bringing Dark Patterns to Light*, MEDIUM (June 6, 2021), https://harrybr.medium.com/ bringing-dark-patterns-to-light-d86f24224ebf

<sup>&</sup>lt;sup>45</sup> *Id*.

<sup>&</sup>lt;sup>46</sup> Sarbasish Basu, What is a dark pattern? How it benefits businesses - Some examples, H2S MEDIA (Dec. 19, 2019), https://www.how2shout.com/technology/what-is-a-dark-pattern-how-it-benefit-businesses-with-someexamples.html.

32. Dark patterns themselves can be traced to the use of applied psychology and A/B testing in UX.<sup>47</sup> In the 1970s, behavioral science sought to understand irrational decisions and behaviors and discovered that cognitive biases guide all our thinking. The following provides examples of cognitive biases, including some that Amazon employs in its cancellation process:<sup>48</sup>



- 33. Whereas the early behavioral research focused on understanding rather than intervention, later researchers, like Cass Sunstein and Richard Thaler, authors of the book *Nudge* made a policy argument that institutions should engineer "choice architectures" in a way that uses behavioral science for the benefit of those whom they serve.<sup>49</sup>
- 34. Another step in the development is the use of A/B testing in UX. A/B testing is a quantitative research method that presents an audience with two variations of a design and then

<sup>&</sup>lt;sup>47</sup> *Id*.

<sup>&</sup>lt;sup>48</sup> Krisztina Szerovay, *Cognitive Bias—Part 2*, UX KNOWLEDGE BASE (Dec. 19, 2017), available at https://uxknowledgebase.com/cognitive-bias-part-2-fab5b7717179.

<sup>&</sup>lt;sup>49</sup> Arvind Narayanan *et al.*, *Dark Patterns: Past, Present, and Future. The evolution of tricky user interfaces*, 18 ACM QUEUE 67-91 (2002), available at https://queue.acm.org/detail.cfm?id=3400901.

measures which actions they take (or do not take) in response to each variant.<sup>50</sup> UX designers use this method to determine which design or content performs best with the intended user base.<sup>51</sup>

- 35. Unscrupulous UX designers subverted the intent of the researchers who discovered cognitive biases by using these principles in ways that undermined consumers' autonomy and informed choice, and they used A/B testing to turn behavioral insights into strikingly effective user interfaces that deceived consumers in ways that were more profitable to the company applying them.<sup>52</sup> Dark patterns increase a company's ability to extract revenue from its users by nudging or tricking consumers to spending more than they otherwise would, yield more personal information, or see more ads.<sup>53</sup>
- 36. A combination of dark patterns has a compounding effect, which will increase the impact of each dark pattern and exacerbate the harm they present to the consumer.<sup>54</sup> Amazon uses a combination of dark patterns to decrease the likelihood that its Prime subscribers will make it all the way to the final confirmation of cancellation. For example, Amazon employs misdirection, which is when "the design purposefully focuses your attention on one thing in order to distract your attention from another."<sup>55</sup> Brightly colored buttons offering alternatives to cancelling and whimsical graphics to depict the value remaining with Prime are not intended to streamline the process of cancellation, but to confuse and distract the Prime member and keep him or her from quitting the subscription.
- 37. Amazon also uses confirm-shaming, where the "option to decline is worded in such a way as to shame the user into compliance." For example, vague warnings about the loss of benefits associated with cancelling Prime membership relies on the cognitive bias of loss aversion,

<sup>&</sup>lt;sup>50</sup> UXPin, *A/B Testing in UX Design: When and Why It's Worth It*, https://www.uxpin.com/studio/blog/abtesting-in-ux-design-when-and-why/ (last accessed Nov. 8, 2022).

<sup>&</sup>lt;sup>51</sup> *Id*.

<sup>&</sup>lt;sup>52</sup> Narayanan *et al.*, *supra* note 52.

<sup>&</sup>lt;sup>53</sup> *Id*.

<sup>&</sup>lt;sup>54</sup> FTC, Staff Report, *Bringing Dark Patterns to Light* at 2 (Sept. 2022), available at https://www.ftc.gov/system/files/ftc\_gov/pdf/P214800%20Dark%20Patterns%20Report%209.14.2022%20-%20FINAL.pdf at 2.

<sup>&</sup>lt;sup>55</sup> Types of deceptive design, https://www.deceptive.design/types (last accessed Nov. 8, 2022).

<sup>&</sup>lt;sup>56</sup> *Id*.

where a person's aversion to giving something up is greater than the utility associated with acquiring it. $^{57}$ 

- 38. More generally, Prime membership fits the roach motel dark pattern, where "you get into a situation very easily, but then you find it is hard to get out of it (e.g., a premium subscription)." <sup>58</sup> Signing up for Prime is very easy, whereas cancellation is very burdensome.
- 39. Amazon knows how to simplify the process. It has done so in Europe, but it does not want to give up the advantages of its captive Prime members, so despite the ongoing investigation by the FTC into Amazon's practices, Amazon continues to this day to employ dark patterns to nudge or trick its Prime members into remaining with Prime.
- 40. Plaintiff and class members have been harmed by Amazon's deception. Through willfully deceptive practices Amazon tricks Prime members into paying more subscription fees than they intended.

### VI. CLASS ACTION ALLEGATIONS

41. Plaintiff brings this action on behalf of himself, and as a class action under the Federal Rules of Civil Procedure ("Rules"), specifically Rules 23(a) and (b)(3), seeking damages pursuant to federal law on behalf of the members of the following Class:

All persons who enrolled in Amazon Prime in the United States and attempted on or after November 9, 2018, to cancel their Prime membership online by clicking at least two pages in the cancellation process and who incurred a membership fee after failing to cancel their membership for that period, for which Amazon did not reimburse them.

Excluded from the Class are Amazon and its officers, directors, management, employees, subsidiaries, or affiliates. Also excluded from the Class are the district judge or magistrate judge to whom this case is assigned, as well as those judges' immediate family members, judicial officers and their personnel, and all governmental entities.

42. The identities of all Class members are readily identifiable from information and records maintained by Amazon.

<sup>&</sup>lt;sup>57</sup> Forbrukerrådet, *supra* note 13, at 19.

<sup>&</sup>lt;sup>58</sup> Types of deceptive design, supra note 55.

- 43. **Numerosity:** Members of the Class are so numerous that joinder is impracticable. Plaintiff believes that there are hundreds of thousands, if not millions, of Class members, geographically dispersed throughout each of the asserted state classes, such that joinder of all class members is impracticable.
- 44. **Typicality:** Plaintiff's claims are typical of the claims of the other Class members. The factual and legal bases of Amazon's liability are the same and resulted in injury to Plaintiff and all other members of the proposed Class.
- 45. **Adequate representation:** Plaintiff will represent and protect the interests of the proposed Class both fairly and adequately. They have Plaintiff has retained counsel competent and experienced in complex class-action litigation. Plaintiff has no interests that are antagonistic to those of the proposed Class, and his interests do not conflict with the interests of the proposed Class members he seeks to represent.
- 46. **Commonality:** Questions of law and fact common to the members of the Class predominate over questions that may affect only individual Class members because Amazon has acted on grounds generally applicable to the Class and because Class members share a common injury. Thus, determining damages with respect to the Class as a whole is appropriate. The common applicability of the relevant facts to claims of Plaintiff and the proposed Class are inherent in Amazon's wrongful conduct because the financial injuries incurred by Plaintiff and each member of the proposed Class arose from the same unfair and deceptive conduct alleged herein.
- 47. There are common questions of law and fact specific to the Class that predominate over any questions affecting individual members, including:
  - a. Whether Amazon's cancellation process is likely to mislead a reasonable consumer;
  - b. Whether Amazon intentionally designed its cancellation policy to deceive consumers by creating unreasonable obstacles to completing the cancellation process;
  - c. Whether Plaintiff and Class members have been damaged by Amazon's conduct; and
  - d. Whether Plaintiff and the other Class members are entitled to damages and other monetary relief and, if so, in what amount.



48. **Predominance and superiority:** This proposed class action is appropriate for certification. Class proceedings on behalf of the Class members are superior to all other available methods for the fair and efficient adjudication of this controversy, given that joinder of all members is impracticable. Resolution of the Class members' claims through the class action device will present fewer management difficulties, and it will provide the benefit of a single adjudication, economies of scale, and comprehensive supervision by this Court.

### VII. CHOICE OF LAW

49. Washington law applies to Plaintiff's claims by virtue of a choice-of-law provision that is set forth in "conditions of use" that appear on Amazon's website:

By using any Amazon Service, you agree that applicable federal law, and the laws of the state of Washington, without regard to principles of conflict of laws, will govern these Conditions of Use and any dispute of any sort that might arise between you and Amazon.<sup>59</sup>

### VIII. CLAIM FOR RELIEF

### **COUNT I**

# VIOLATIONS OF THE WASHINGTON CONSUMER PROTECTION ACT (Wash. Rev. Code §§ 19.86.010, et seq)

- 50. Plaintiff realleges and incorporates by reference all paragraphs as though fully set forth herein. Plaintiff brings this law claim on behalf of himself and each member of the proposed Class.
- 51. The Washington Consumer Protection Act ("Washington CPA") broadly prohibits "[u]nfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce." Wash. Rev. Code § 19.86.010.
- 52. Amazon committed the acts complained of herein in the course of "trade" or "commerce" within the meaning of Wash. Rev. Code § 19.86.010.

<sup>&</sup>lt;sup>59</sup> Amazon, *Help & Customer Service: Conditions of Use* (last updated Sept. 14, 2022), https://www.amazon.com/gp/help/customer/display.html%3FnodeId%3DGLSBYFE9MGKKQXXM.



- 53. Amazon engaged in unfair or deceptive acts or practices through the conduct described herein by employing dark patterns to confuse or frustrate Plaintiff and members of the Class to nudge or trick them into continuing their Prime subscriptions despite their intention of quitting the service. Amazon's online Prime cancellation subscription process requires a user to navigate a complicated and manipulative interface that employs skewed wording, confusing choices, and repeated nudging. The tactics used in this process are deceptive because they tend to mislead users who wish to terminate their Prime subscriptions by steering consumers away from their intended outcome.
- 54. While attempting to cancel an Amazon Prime subscription online, a user cannot reasonably avoid Amazon's use of dark patterns and manipulative interface design. Amazon's acts and practices had the capacity to deceive a substantial portion of the public and did in fact deceive reasonable consumers, including Plaintiff, by confusing or manipulating them, directing them away from the cancellation process, or frustrating their resolve to quit the subscription.
- 55. Amazon intentionally and knowingly misled Plaintiff and Class members. Amazon created and implemented its Project Iliad precisely to deceive members of the public, and Amazon's own internal documents confirm that it succeeded, *e.g.*, by reducing cancellations by as much as 17% at one point in 2017.
- 56. Plaintiff and Class members have suffered an injury in fact, including the payment of subscription fees.
- 57. Amazon employed dark patterns to hinder Plaintiff and Class members from ending their Prime subscriptions. But for Amazon's unfair and deceptive practices, Plaintiff and Class members would have cancelled their Prime memberships (or would have cancelled earlier) and would not have incurred additional subscription fees.
- 58. Amazon continues to employ its dark patterns in the cancellation process. Plaintiff seeks to enjoin further unfair and fraudulent acts or practices by Amazon, recover damages and obtain all other relief allowed under Wash. Rev. Code § 19.86.010.

### **JURY TRIAL DEMANDED**

59. Plaintiff hereby demands a trial by jury.

1	PRAYER FOR RELIEF					
2	WHEREFORE, Plaintiff prays for judgment against Amazon as follows:					
3	A. The Court determine that this action may be maintained as a class action under					
4	Rules 23(a), (b)(2), and (b)(3) of the Federal Rules of Civil Procedure, appoint Plaintiff as a Class					
5	Representative and his counsel of record as Class Counsel, and direct that notice of this action, as					
6	provided by Rule 23(c)(2) of the Federal Rules of Civil Procedure, be given to the Class, once					
7	certified;					
8	В.	B. An order enjoining Amazon's use of dark patterns in the Amazon Prime				
9	cancellation process and ordering Amazon to simplify its cancellation process as it has done in					
10	Europe;					
11	C.	Actual damages in an amount to be determined at trial;				
12	D.	Treble damages pursuant to Wash. Rev. Code § 19.86.090;				
13	E.	An order requiring Amazon to pay both pre- and post-judgment interest on any				
14	amounts awarded; and					
15	F.	Such other or further relief a	as may be appropriate.			
16						
17	DATED this	9th day of November, 2022.	Respectfully submitted,			
18			HAGENS BERMAN SOBOL SHAPIRO LLP			
19			By: <u>/s/ Steve W. Berman</u> Steve Berman (WSB # 12536)			
20			By: <u>/s/ Barbara Mahoney</u>			
21			Barbara Mahoney (WSB# 31845) 1301 Second Avenue, Suite 2000			
22			Seattle, WA 98101 Telephone: (206) 623-7292			
23			Facsimile: (206) 623-0594 Email: steve@hbsslaw.com			
24			barbaram@hbsslaw.com			
25			Attorneys for Plaintiff			
26						
27						
28						

